

Assembly Bill No. 1874

Passed the Assembly May 16, 2002

Chief Clerk of the Assembly

Passed the Senate June 20, 2002

Secretary of the Senate

This bill was received by the Governor this _____ day of
_____, 2002, at _____ o'clock __M.

Private Secretary of the Governor

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CHAPTER _____

An act to amend Section 1758.81 and 1758.92 of the Insurance Code, relating to insurance.

LEGISLATIVE COUNSEL'S DIGEST

AB 1874, Horton. Insurance: license renewal.

Existing law provides for the licensure, including the renewal of licenses, and regulation of rental car agents and credit insurance agents by the Insurance Commissioner.

This bill would authorize the commissioner to mail a renewal application to these licensees to the latest address the commissioner has for the licensees not less than 60 days before the license is set to expire. The bill would authorize the renewal application for an expired license to be filed up to one year after the expiration date of the license. The bill would require, in addition to the renewal fee, a penalty of 50% of the renewal fee to be charged a licensee who files the renewal application after the expiration of the license.

The people of the State of California do enact as follows:

SECTION 1. Section 1758.81 of the Insurance Code is amended to read:

1758.81. (a) An applicant for a rental car agent license under this article shall file the following documents with the commissioner:

(1) A written application for licensure, signed by the applicant or an officer of the applicant, in the form prescribed by the commissioner.

(2) A certificate by the insurer that is to be named in the rental car agent license, stating that the insurer has satisfied itself that the named applicant is trustworthy and competent to act as its insurance agent limited to this purpose and that the insurer will appoint the applicant to act as its agent to transact the kind or kinds of insurance that are permitted by this article, if the rental car agent license applied for is issued by the commissioner. The certification shall be subscribed by an officer or managing agent of the insurer on a form prescribed by the commissioner.



(3) An application fee, and each license period thereafter, a renewal fee, in an amount or amounts determined by the department as sufficient to defray the department's actual cost of processing the application or renewal and implementing this article.

(4) Not less than 60 days before a permanent license will expire, the commissioner may mail, to the latest address appearing on his or her records, an application to the licensee to renew the license for the appropriate succeeding license period. It is the licensee's responsibility to renew whether or not a renewal application is received. The commissioner may accept a late renewal without a penalty, provided the licensee's failure to comply is due to clerical error or inadvertence on the part of the department.

(A) The application for renewal of a license shall be filed on or before the expiration date.

(B) The application for renewal of an expired license may be filed after the expiration date and until that same month and day of the next succeeding year. A licensee who files the renewal application after the license has expired shall be charged, in addition to the renewal fee, a penalty of 50 percent of the renewal fee.

(b) Notwithstanding any other provision of law to the contrary, Sections 1667, 1668, 1668.5, 1669, 1670, 1720, 1738, and 1739 apply to any application for or issuance of a license pursuant to this article.

(c) Costs associated with any enforcement action or investigation shall be paid for by the person or organization licensed pursuant to this article.

SEC. 2. Section 1758.92 of the Insurance Code is amended to read:

1758.92. (a) An applicant for a credit insurance agent license under this article shall submit each of the following to the commissioner:

(1) A written application for licensure signed by the applicant or an officer of the applicant, in the form prescribed by the commissioner.

(2) A certificate by the insurer that is to be named in the credit insurance agent license, stating that the insurer has satisfied itself that the named applicant is trustworthy and competent to act as its

insurance agent limited to this purpose and that the insurer will appoint the applicant to act as its agent in reference to selling or soliciting the kind or kinds of insurance that are permitted by this article, if the credit insurance agent license applied for is issued by the commissioner. The certification shall be subscribed by an officer or managing agent of the insurer on a form prescribed by the commissioner.

(3) An application fee, and each license period thereafter, a renewal fee, in an amount or amounts determined by the department as sufficient to defray the department's actual costs of processing the application or renewal and implementing this article.

The limitation on fee increases of 10 percent without prior approval of the Legislature set forth in Section 12978 shall not apply to the application or renewal fee set forth in this subdivision during the years 2002, 2003, and 2004.

(b) Notwithstanding any other provision of law to the contrary, the provisions set forth in Sections 1667, 1668, 1668.5, 1669, 1670, 1720, 1738, and 1739 apply to any application for or issuance of a license, or any application for or approval of an endorsee, pursuant to this article.

(c) (1) Not less than 60 days before a permanent license will expire, the commissioner may mail, to the latest address appearing on his or her records, an application to the licensee to renew the license for the appropriate succeeding license period. It is the licensee's responsibility to renew whether or not a renewal application is received. The commissioner may accept a late renewal without penalty, provided the licensee's failure to comply is due to a clerical error or inadvertence on the part of the department.

(2) An application for renewal shall be filed on or before the expiration date.

(3) The application for renewal of an expired license may be filed after the expiration date and until that same month and date of the next succeeding year. A licensee who files a renewal application after the license has expired shall be charged, in addition to the renewal fee, a penalty of 50 percent of the renewal fee for the credit insurance agent license and all endorsees.



(d) Costs associated with any enforcement action or investigation shall be paid for by the person or organization licensed pursuant to this article.



Approved _____, 2002

Governor

